

ALBERTSON WATER DISTRICT
AUDITED FINANCIAL STATEMENTS

December 31, 2008

OFFICE OF THE
CLERK OF THE DISTRICT

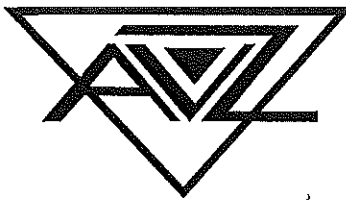
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CERTIFIED PUBLIC ACCOUNTANTS, BUSINESS ADVISORS AND CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Albertson Water District
Albertson, New York

We have audited the accompanying financial statements of the governmental activities and each major fund of the Albertson Water District, a component unit of the Town of North Hempstead, New York as of and for the year ended December 31, 2008, which collectively comprise the Albertson Water District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Water District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Albertson Water District as of December 31, 2008, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note A.12 to the financial statements the District adopted the provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post-employment Benefits Other Than Pensions*.

The Management's Discussion and Analysis and the budgetary information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America and Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Albertson Water District, New York's basic financial statements. The additional supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Albrecht Viggiano Zureck & Company P.C.

Hauppauge, New York
April 16, 2009

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

INDEPENDENT MEMBER OF BKR INTERNATIONAL

REQUIRED SUPPLEMENTARY INFORMATION

ALBERTSON WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2008

Our discussion and analysis of the financial performance of the Albertson Water District, a component unit of the Town of North Hempstead, New York (the "District"), provides an overview of the District's financial activities for the year ended December 31, 2008. Please read it in conjunction with the District's financial statements and notes to financial statements (in 000's except where indicated).

USING THIS ANNUAL REPORT

This annual report consists of two sets of financial statements.

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities – Government-Wide provide information about the activities of the District as a whole and present a long-term view of the District's finances. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Government Fund Financial Statements

The Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds tell how services were financed in the short term as well as what remains for future spending. Government fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's general fund and capital projects fund. The District's basic services are reported in funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Government fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

ALBERTSON WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2008

CONDENSED FINANCIAL INFORMATION

Our analysis below focuses on the net assets and changes in net assets as set forth in the following condensed financial statement (in 000's):

Statement of Net Assets:
As of December 31,

	<u>2008</u>	<u>2007</u>
Assets		
Current and other assets	\$ 2,969	\$ 3,173
Capital assets	<u>7,634</u>	<u>7,431</u>
Total Assets	<u>10,603</u>	<u>10,604</u>
Liabilities		
Current liabilities	712	589
Non-current liabilities	<u>6,678</u>	<u>6,810</u>
Total Liabilities	<u>7,390</u>	<u>7,399</u>
Net assets		
Invested in capital assets, net of related debt	1,189	544
Restricted for capital projects	1,320	1,653
Unrestricted	<u>704</u>	<u>1,008</u>
Total Net Assets	<u>\$ 3,213</u>	<u>\$ 3,205</u>

Statement of Activities:
For the years ending December 31,

Change in Net Assets

Program Revenues		
Charges for services	\$ 1,288	\$ 1,342
General Revenues		
Real property taxes	1,507	1,507
Other	<u>72</u>	<u>163</u>
Total Revenues	2,867	3,012
Expenses – Water supply services	<u>3,082</u>	<u>2,716</u>
Change in Net Assets	(215)	296
Net Assets – Beginning of Year (as restated)	<u>3,428</u>	<u>2,909</u>
Net Assets – End of Year	<u>\$ 3,213</u>	<u>\$ 3,205</u>

ALBERTSON WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2008

FINANCIAL HIGHLIGHTS

The District's net assets as of December 31, 2008 were \$3,213 million, a decrease of \$215 from the prior year. Of the District's total net assets, \$1,189 was invested in capital assets, net of related debt, \$1,320 were restricted for capital projects, and \$704 was unrestricted. The decrease in net assets was due to the implementation of GASB 45 and the accrual of the other post employment benefits liability of approximately \$369.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District reported budget and actual in the general fund as follows (in 000's):

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance</u>
Revenues and other				
Financing sources	\$ 2,804	\$ 2,804	\$ 2,863	\$ 59
Expenditures and other				
Financing uses	<u>3,104</u>	<u>3,104</u>	<u>2,906</u>	<u>198</u>
	<u>\$ (300)</u>	<u>\$ (300)</u>	<u>\$ (43)</u>	<u>\$ 257</u>

The District budgeted total expenditures in excess of total revenues by \$300 by appropriating a portion of its prior year fund balance. The General Fund, however, reported a deficiency of revenues over expenditures this year of \$43 decreasing its fund balance from \$1,437 to \$1,394. Actual revenues exceeded budgeted revenues by \$59. This increase was substantially due to an increase in water rents over budgeted amounts. Total expenditures were less than budgeted by \$198.

CAPITAL ASSETS AND LONG-TERM DEBT

The District has been financing most of its capital expenditures from proceeds of general obligation bonds, capital project reserve and annual budgetary appropriations. During 2008, the District made various improvements to the administration building of approximately \$474 of which \$131 was spent from the capital reserve. In addition; the District has encumbered funds for contractual commitments related to construction in progress of \$322.

At year-end, the District had outstanding approximately \$6.4 million of general obligation serial bonds.

ALBERTSON WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year ended December 31, 2008

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District derives significant operating revenues from water sales. For water utilities, water revenues are dependent on the amount of rainfall particularly during the summer months. As such, these revenues are unpredictable and very volatile. Water revenues for the District can vary significantly from a rainy year, to a dry year. Water revenues are budgeted on the conservative side, which is in anticipation of a rainy year. However, actual water revenues can still fall far short of estimates. The District also believes that such adverse weather conditions can easily recur consecutively over two years or more running. Gallons pumped and water revenues for the current and past four years are as follows:

	<u>Gallons pumped</u> <u>In 000's</u>	<u>Revenue</u> <u>In 000's</u>
2008	691,473	\$ 1,172
2007	767,320	1,215
2006	696,581	1,166
2005	788,312	1,260
2004	794,041	1,130

The decrease in metered water revenue for the year ended December 31, 2008 was the result of changes in the weather patterns.

In addition to the capital improvements described above, Albertson Water District is committed to the long-term maintenance of the water system and plans significant capital expenditures on a regular basis. The District maintains a long-range capital budget to plan for these expenditures as follows (in 000's):

2009	\$ 177
2010	188
2011	327
2012	222
2013	866

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our taxpayers, customers and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District Superintendent at Albertson Water District, P.O. Box 335, Albertson, NY 11507.

BASIC FINANCIAL STATEMENTS

ALBERTSON WATER DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF NET ASSETS
December 31, 2008

ASSETS

Current assets:

Cash	\$ 780,518
Restricted cash	1,078,178
Accounts receivable	251,199
Due from other governments	856,183

Non-current assets:

Deferred charges, net of accumulated amortization	3,067
Non-depreciable capital assets	830,989
Depreciable capital assets, net of depreciation	<u>6,802,820</u>

Total Assets 10,602,954

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	121,139
Accrued interest	64,662
Developer deposits	1,506

Noncurrent liabilities due within one year

Serial bonds payable	450,110
Other postemployment benefits payable	74,514

Noncurrent liabilities:

General obligation bonds payable	5,995,213
Compensated absences	388,373
Other postemployment benefits payable	<u>294,301</u>

Total Liabilities 7,389,818

NET ASSETS

Investment in capital assets, net of related debt	1,188,486
Restricted for capital projects	1,320,151
Unrestricted	<u>704,499</u>

Total Net Assets \$ 3,213,136

ALBERTSON WATER DISTRICT
GOVERNMENT-WIDE FINANCIAL STATEMENTS
STATEMENT OF ACTIVITIES
Year ended December 31, 2008

Governmental Activities

Expenses - water supply services	\$ 3,081,712
Program revenues - charges for services	<u>1,287,828</u>
Net Program Expense	<u>(1,793,884)</u>
General Revenues	
Real property taxes	1,507,399
Use of money and property	66,729
Miscellaneous local sources	<u>5,050</u>
Total General Revenues	<u>1,579,178</u>
Change in Net Assets	(214,706)
Net Assets - Beginning of Year (as restated)	<u>3,427,842</u>
Net Assets - End of Year	<u><u>\$ 3,213,136</u></u>

ALBERTSON WATER DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2008

Assets	General	Capital Projects	Total
Cash	\$ 780,518		\$ 780,518
Restricted cash	571,343	\$ 506,835	1,078,178
Accounts receivable	122,350		122,350
Due from other fund	301,716	391,657	693,373
Due from other governments	88,657	767,526	856,183
Total Assets	<u>\$ 1,864,584</u>	<u>\$ 1,666,018</u>	<u>\$ 3,530,602</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 76,988	\$ 44,151	\$ 121,139
Developer deposits	1,506		1,506
Due to other fund	391,657	301,716	693,373
Total Liabilities	<u>470,151</u>	<u>345,867</u>	<u>816,018</u>
Fund Equity			
Fund Balances:			
Reserve for:			
Repair	269,550		269,550
Capital reserve		898,492	898,492
Employee benefits	325,287		325,287
Encumbrances		321,894	321,894
Unreserved, designated for:			
Subsequent year's budget	300,000		300,000
Unreserved, undesignated reported in:			
General fund	499,596		499,596
Capital fund		99,765	99,765
Total Fund Equity	<u>1,394,433</u>	<u>1,320,151</u>	<u>2,714,584</u>
Total Liabilities and Fund Equity	<u>\$ 1,864,584</u>	<u>\$ 1,666,018</u>	<u>\$ 3,530,602</u>

**Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets**

Total Governmental Fund Balances	\$ 2,714,584
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	7,633,809
Revenues in the Statement of Activities that do not provide current financial resources and are not reported as revenues in the funds.	128,849
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
General obligation bonds payable	(6,445,323)
Accrued interest expense	(64,662)
Other post employment benefits payable	(368,815)
Compensated absences	(388,373)
Deferred charges included in the Statement of Net Assets	3,067
Net Assets of Governmental Activities	<u>\$ 3,213,136</u>

See notes to financial statements.

ALBERTSON WATER DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended December 31, 2008

	General	Capital Projects	Total
Revenues			
Real property taxes	\$ 1,507,399		\$ 1,507,399
Departmental income	1,299,910		1,299,910
Use of money and property	51,170	\$ 15,559	66,729
Miscellaneous local sources	4,819	231	5,050
Total Revenues	2,863,298	15,790	2,879,088
Expenditures			
Administration	621,956		621,956
Source of supply, power and pumping	886,631		886,631
Purification	43,383		43,383
Transmission and distribution	140,280		140,280
Employee benefits	354,755		354,755
Debt service:			
Serial bonds - principal	441,795		441,795
Serial bonds - interest	292,240		292,240
Capital outlay		474,146	474,146
Total Expenditures	2,781,040	474,146	3,255,186
Other Financing Sources (Uses) of Funds			
Transfers	(125,000)	125,000	-0-
Total Other Financing Sources (Uses)	(125,000)	125,000	-0-
Net Change in Fund Balance	(42,742)	(333,356)	(376,098)
Fund Balance at Beginning of Year	1,437,175	1,653,507	3,090,682
Fund Balance at End of Year	\$ 1,394,433	\$ 1,320,151	\$ 2,714,584

ALBERTSON WATER DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
Year ended December 31, 2008

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances of to the Statement of Activities**

Net Changes in Fund Balances - Total Governmental Funds	\$ (376,098)
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Amounts reported for governmental activities in
the statement of activities are different because:

Governmental funds report capital outlays as expenditures while
in the statement of activities, the cost of those assets is allocated
over their estimated useful lives as depreciation expense:

Capital outlay	543,905
Depreciation expense	(418,993)
Loss on dispositions	(4,065)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(12,082)
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Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	441,795
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In the statement of activities, interest is accrued on outstanding bonds, whereas in governmental funds, an interest expenditure is reported when due.	3,947
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Some expenses reported in the statement of activities, such as compensated absences, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Compensated Absences	(23,993)
Deferred charges	(307)
Other post employment benefits payable	(368,815)

Change in Net Assets of Governmental Activities	<u>\$ (214,706)</u>
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ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies

The Albertson Water District (the "District") is governed by Town Law and other general laws of the State of New York. The Board of Commissioners is the legislative body responsible for overall operations. The Board of Commissioners consists of three members, all of whom are elected by the residents of the District for terms of three years. The primary function of the District is to provide water service to district residents.

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The District's more significant accounting policies are described below.

1. Financial Reporting

The Town of North Hempstead, New York is financially accountable as a result of fiscal dependency for the Albertson Water District. Long-term debt of the District, which is backed by the full faith and credit of the Town, and other fiscal matters results in fiscal interdependency with the Town. Accordingly, the Albertson Water District has been determined to be a component unit of the Town of North Hempstead, New York.

2. Basis of Presentation

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds).

Government-wide Financial Statements

The government-wide financial statements reports information on the District as a whole.

In the government-wide Statement of Net Assets, the District's governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies (continued)

2. Basis of Presentation (continued)

The government-wide Statement of Activities reports both the gross and net cost of each of the District's function (home and community service – water supply services), which are otherwise supported by general revenues (property, use and money, sale of property and compensation for loss, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants to produce the net cost of each program. Program revenues include (a) charges for services and (b) operating and capital grants and contributions that are directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net cost is normally covered by general revenues.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Funds Financial Statements

The fund financial statements are similar to the financial statements presented in the previous model. The new emphasis is on the major funds in the fund financial statements.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The various funds are presented by type in the fund financial statements. Accordingly, the District maintains the following funds:

Governmental Funds - Governmental funds are those through which most governmental functions are financed. The acquisition, use, and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The measurement focus of the governmental funds is upon determination of financial position and changes in financial position. Government funds are further classified as major funds.

The District reports the following major governmental funds:

General Fund - is the principal operating fund of the District. This fund is used to account for all financial resources except those required to be accounted for in other funds.

Capital Projects Fund - is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies (continued)

3. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured where as the basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

In the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus and are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Interfund transactions have been eliminated from the government-wide financial statements.

In the funds statements, the governmental activities use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under this basis of accounting, revenues are recorded when measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when incurred except that:

- a. Expenditures for prepaid expenses are recognized at the time of purchase.
- b. Principal and interest on indebtedness are not recognized as an expenditure until due.
- c. Compensated absences, such as vacation and sick leave, which vests or accumulates, are charged as an expenditure when paid.

4. Property Taxes and Delinquent Water Bills

Property taxes and delinquent water bills are collected by the Town of North Hempstead Receiver of Taxes on behalf of the District. The Town of North Hempstead Receiver of Taxes collects all real property taxes for the Town, Nassau County, Town Special Districts and School Districts. Town and County taxes are levied on January 1, and are due in two installments payable by February 10 and August 10. The Town remits 100% of the amount of real property tax levied and the delinquent water bills to the District. Responsibility for collection of unpaid taxes is assumed by Nassau County.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies (continued)

5. Budgetary Data

Budget Policies - The budget policies are as follows:

The District prepares an annual budget for the general fund, which is approved by the Board of Commissioners. The budget is then submitted to the Town of North Hempstead for inclusion in the Town Budget and a public hearing is held thereon. The budget is not subject to referendum. The annual budget lapses at year-end and any revisions are adopted by resolution of the Board of Commissioners.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in the general and capital projects funds. Encumbrances are reported as reservations of fund balance, since they do not constitute expenditures or liabilities. Expenditures for such commitments are recorded in the period in which the liability is incurred. Encumbrances are shown in the fund financial statements only. There were no encumbrances in the general fund at December 31, 2008.

Budget Basis of Accounting

Budgets are adopted annually on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations authorized for the current year are increased by the amount of encumbrances (if any) carried forward from the prior year.

6. Property, Plant and Equipment

In the government-wide financial statements, fixed assets are accounted for as capital assets. All fixed assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated fixed assets, which are recorded at their estimated fair value at the date of donation.

Prior to December 31, 1980 infrastructure assets consisting of water mains were not capitalized. These assets subsequent to December 31, 1980 have been valued at cost or estimated historical cost.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies (continued)

6. Property, Plant and Equipment (continued)

Depreciation of all exhaustible fixed assets is recorded as an expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 years
Improvements	20 years
Machinery and equipment	10 – 20 years
Office furniture and equipment	5 years
Vehicle	8 years
Infrastructure	
Wells, water tanks and structures	40 years
Water main	40 years

In the fund financial statements, fixed assets are accounted for as capital outlay of the governmental fund upon acquisition.

7. Long-Term Debt

All long-term debt is reported as liabilities in the government-wide statements. The long-term debt consists of general obligation bonds and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. Any debt proceeds are reported as other financing sources and payment of principal and interest is reported as expenditures.

8. Compensated Absences

District employees earn vacation and sick leave in varying amounts. In the event of separation from service (except termination for cause), employees are paid for accumulated unused vacation and sick leave subject to certain limitations.

The liability for these compensated absences is recorded as long-term debt in the government-wide statements. In the fund financial statements only, the compensated absence liability payable from expendable available financial resources is incurred. Management has determined that there were no amounts to be disclosed as current as of December 31, 2008.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies (continued)

9. Post Employment Benefits

In addition to providing pension benefits, the District, per its contracts with employees, will pay the full premium costs for the medical insurance coverage (currently provided by Empire Plan Plus Enhancements of the New York State Government Employees Health Insurance Program) for an employee of the District at retirement, provided the employee has been employed with the District for at least ten consecutive years of continuous employment prior to the date of retirement.

The District recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the governmental funds in the year paid. The liability for these other post-employment benefits payable is recorded as long-term debt in the government-wide statements. The current portion of this debt is estimated based on the most recent actuarial valuation in accordance with the parameters of GASB Statement No. 45.

10. Insurance

The District purchases insurance against liability for most risk including, but not limited to, property damage and personal injury liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability not covered by insurance has been incurred and the amount of loss can be reasonably estimated.

11. Equity Classifications

In Government-wide Statements equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets - Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

A. Summary of Significant Accounting Policies (continued)

11. Equity Classifications (continued)

In the Fund Statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated.

12. New Accounting Principles

Effective with this financial report for the year ended December 31, 2008, the District has adopted Governmental Accounting Standards Board Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* (OPEB). This Statement establishes standards for reporting the liability for non-pension postemployment benefits, chiefly the health care premiums for retirees.

B. Reserves for Repairs, Capital Projects, and Employee Benefits

The Board of Commissioners established a reserve for major repairs to well pumps and tanks. A summary of activity in the Reserve for Repair Fund for 2008 is as follows:

Balance – beginning	\$ 264,338
Interest earned on reserve cash	<u>5,212</u>
Balance – ending	<u>\$ 269,550</u>

The Board of Commissioners established a capital reserve, which will be used for capital improvements to the District's buildings, grounds, and water facilities. A summary of activity in the Reserve for Capital Fund for 2008 is as follows:

Balance – beginning	\$ 889,389
Interest earned on reserve cash	15,559
Expenditures	(131,456)
Transfer from general fund	<u>125,000</u>
Balance – ending	<u>\$ 898,492</u>

The Board of Commissioners established an Employee Benefit Reserve, which will be used to pay for accrued "employee benefit" due to an employee on termination of the employee's service. A summary of activity in the Reserve for Employee Benefit Fund for 2008 is as follows:

Balance – beginning	\$ 294,758
Interest earned on reserve cash	5,529
Transfer from unreserved fund balance	<u>25,000</u>
Balance – ending	<u>\$ 325,287</u>

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. Cash and Investments (continued)

The District's investment policies are governed by state statutes. In addition, the District has its own written investment policy. District monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts, money market accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, and obligations of New York State or its localities.

Custodial Credit Risk – Deposits/Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exist when, in the event of the failure of the counterparty, a government will not be unable to recover the value of its investments or collateral securities that are in possession of an outside party.

Governmental Accounting Standards Board Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Town's name

At December 31, 2008, the District's bank deposit balances were \$1,923,906. Of these balances, \$500,000 was covered by the Federal Deposit Insurance Corporation and \$1,707,353 was covered by collateral held by the Town's agent, a third-party financial institution, in the Town's name.

Credit Risk – State law limits investments to those authorized by State statutes. The District has a written investment policy.

Interest-Rate Risk – Interest-rate risk arises because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates substantially increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities. Accordingly, such investments would have to be held to maturity to avoid a potential loss.

Concentration of Credit Risk – Credit risk can arise as a result of failure to adequately diversify investments. Concentration risk disclosure is required for positions of 5 percent or more in securities of a single issuer.

As of December 31, 2008, the District did not have any investments subject to credit risk, interest-rate risk or concentration of credit risk.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

C. Cash and Investments (continued)

Certain cash balances of the District are classified as restricted because their use is restricted by contractual agreements and regulations. These balances include the employee benefit reserve cash, capital projects reserve cash, repair reserve cash and amounts designated for developer deposits.

D. Property, Plant and Equipment

Capital asset activity for the year ended December 31, 2008 was as follows:

	Restated Balance 1/1/08	Additions	Deletions	Balance 12/31/08
Capital assets not being depreciated				
Land	\$ 23,088			\$ 23,088
Construction in progress	333,755	\$ 474,146		807,901
Total capital assets not being depreciated	356,843	474,146	-0-	830,989
Depreciable capital assets:				
Buildings and improvements	2,122,790		\$ 700	2,122,090
Wells, water tanks and structures	366,310			366,310
Water mains	5,984,860			5,984,860
Machinery and equipment	4,123,536	30,737	31,106	4,123,167
Office furniture and equipment	75,412	2,283	7,574	70,121
Vehicles	243,602	36,739	33,556	246,785
Total depreciable capital assets	12,916,510	69,759	72,936	12,913,333
Accumulated depreciation				
Buildings and improvements	482,615	57,979	700	539,894
Wells, water tanks and structures	354,693	4,655		359,348
Water mains	2,692,626	139,504		2,832,130
Machinery and equipment	1,958,793	198,705	27,041	2,130,457
Office furniture and equipment	74,104	1,101	7,574	67,631
Vehicles	197,560	17,049	33,556	181,053
Total accumulated depreciation	\$ 5,760,391	\$ 418,993	\$ 68,871	6,110,513
Total net depreciable capital assets	7,156,119			6,802,820
Total capital assets	\$ 7,512,962			\$ 7,633,809

Depreciation expense totaled \$418,993 and was charged to water supply services.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

E. Retirement System

Plan Description

The Albertson Water District participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer retirement system. The System provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the System. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the System and for the custody and control of their funds.

Plan Description (continued)

The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, and who have less than ten years of membership and less than ten years of credited service with a retirement system under the provisions of article fourteen or fifteen of the NYSRSSL, who contribute 3% of their salary. Prior to October 1, 2000, all employees who joined the System after July 27, 1976 were required to contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The District is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

	<u>Total Contribution</u>
2008	\$ 58,153
2007	\$ 60,901
2006	\$ 61,746

The District's contributions to the System were equal to 100 percent of the contributions required for each year.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

F. Indebtedness

Short-Term Debt

Liabilities for bond anticipation notes (BANs) are generally accounted for in the capital project funds. The notes or renewal thereof may not extend more than two years beyond the original date of issue unless a portion is redeemed within two years and within each 12 month period thereafter.

State law requires that BANs issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BANs issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made. These annual principal reductions are paid from general fund appropriations. Accordingly, the amount of the bond anticipation notes redeemed from appropriations is recorded as an "other financing source" in the capital projects fund.

During the year 2008, the District recognized \$-0- of expenditures for short-term debt interest.

Long-Term Debt

The District borrows money in order to acquire land or equipment or construct buildings and improvements. This enables the cost of these capital assets to be borne by the present and future taxpayers receiving the benefit of the capital assets. These long-term liabilities, which are full faith and credit debt of the Town of North Hempstead, are recorded in the Statement of Net Assets. During the year 2008, the District recognized \$292,240 of expenditures for long-term debt interest.

Prior Year Defeasance of Debt

In prior years, Albertson Water District defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in Albertson Water District's financial statements. At December 31, 2008, \$535,951 of bonds outstanding is considered defeased.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

F. Indebtedness (continued)

Other Long-Term Debt

Compensated Absences - Represents the value of the earned and unused portion of the liability for compensated absences.

The following is a summary of changes in long-term liabilities for the year ended December 31, 2008:

	Balance 1/1/08	Increases	Reductions	Balance 12/31/08	Non-current Liabilities Due Within One Year
Serial bonds payable	\$ 6,887,118		\$ 441,795	\$ 6,445,323	\$ 450,110
Compensated absences	364,380	23,993		388,373	-
Other post-employment benefits payable	-	557,817	189,002	368,815	74,514

Interest rates vary from 3.25% to 6.85%. Principal and interest payments to maturity of General Obligation Bonds as of December 31, 2008 are as follows:

	Principal	Interest
For the years ending December 31, 2009	\$ 450,110	\$ 272,624
2010	464,003	252,596
2011	458,951	232,295
2012	436,038	213,009
2013	444,986	194,034
2014 - 2018	2,326,654	660,291
2019 - 2023	1,263,053	268,593
2024 - 2027	601,528	35,110
	<u>\$ 6,445,323</u>	<u>\$ 2,128,552</u>

G. Other Post-Employment Benefits (Obligations for Health Insurance)

In the government-wide financial statements, the cost of postemployment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2008, the District recognizes the cost of postemployment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provide information useful in assessing potential demands on the District's future cash flows. Recognition of the liability accumulated from prior years will be phases in over 30 years, commencing with the 2008 liability.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

G. Other Post-Employment Benefits (Obligations for Health Insurance) (continued)

Plan Description

The District, per its contracts with employees, will pay the full premium costs for the medical insurance coverage (currently provided by Empire Plan Plus Enhancements of the New York State Government Employees Health Insurance Program) for an employee of the District at retirement, provided the employee has been employed with the District for at least five consecutive years of continuous employment prior to the date of retirement. These contracts will be renegotiated at various times in the future. Upon death of an active employee with five years of service, the District will pay seventy-five percent of the cost to continue coverage for the surviving spouse (until re-marriage) and dependents of the employee.

The number of participants as of December 31, 2008, the effective date of the OPEB valuation, follows. There have been no significant changes in the number or the type of coverage since that date.

Active employees	12
Retired employees	5
Spouses of retired employees	<u>3</u>
Total	<u><u>20</u></u>

Funding Policy

The District currently pays for postemployment health care benefits on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

For the year ended December 31, 2008, the District's annual other postemployment benefits (OPEB) cost (expenses) is calculated based on the *annual required contribution of the employer (ARC)*. The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Retiree Health Plan:

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

G. Other Post-Employment Benefits (Obligations for Health Insurance) (continued)

Annual required contribution (ARC)	559,842
Interest on Net OPEB Obligation	4,733
Adjustments to ARC	<u>(6,758)</u>
OPEB Cost	557,817
Age adjusted contributions made	(189,002)
Increase in net OPEB obligation	368,815
Net OPEB obligation – beginning of year	<u>-0-</u>
Net OPEB obligation – end of year	<u>\$ 368,815</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended December 31, 2008 are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Age Adjusted Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
12/31/08	557,817	\$189,002	33.88%	368,815

Funded Status and Funding Progress

As of December 31, 2008, the actuarial accrued liability for benefits was \$4,603,132, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$699,375, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 658.18%.

The projection of future benefit payments of occurrence of events far into the future, examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

G. Other Post-Employment Benefits (Obligations for Health Insurance) (continued)

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.

Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality – Life expectancies were based on mortality tables from the RP2000 Mortality Table for Males and Females Projected 10 years.

Turnover – Non-group specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate – The expected rate of increase in healthcare premiums was based on a report produced by the Department of Health Human Services Office of the Actuary. A rate of 9% for health and pharmacy, 4% for dental and 3% for vision was used initially and was reduced to a rate of 5% for health and pharmacy and 3% for dental and vision after six years.

Health insurance premiums – 2008 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

Payroll growth rate – The expected long-term payroll growth rate was assumed at 3%.

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 2 percent was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008 was twenty nine years.

ALBERTSON WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
December 31, 2008

H. Restatement of Net Assets

The District revised its recognition of metered water sales to include an estimate for unbilled water usage at year end. Additionally the District revised its beginning fixed asset and accumulated depreciation balances to reflect changes from an undated appraisal of the District's fixed assets. Accordingly, beginning net assets in the government-wide financial statements were restated to reflect additional revenue from unbilled water usage in the amounts of \$140,931 and fixed assets and accumulated depreciation in the amounts of \$89,136 and \$17,185 respectively.

**REQUIRED SUPPLEMENTARY INFORMATION OTHER THAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

ALBERTSON WATER DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year ended December 31, 2008

	Budget Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Revenues				
Real property taxes	\$ 1,507,399	\$ 1,507,399	\$ 1,507,399	\$ -0-
Departmental income	1,246,000	1,246,000	1,299,910	53,910
Use of money and property	51,057	51,057	51,170	113
Miscellaneous local sources	-0-	-0-	4,819	4,819
Total Revenues	2,804,456	2,804,456	2,863,298	58,842
Expenditures				
Administration	640,996	640,996	621,956	19,040
Source of supply, power and pumping	909,945	909,945	886,631	23,314
Purification	70,000	70,000	43,383	26,617
Transmission and distribution	188,861	176,361	140,280	36,081
Employee benefits	422,000	423,000	354,755	68,245
Debt service:				
Serial bonds - principal	436,780	441,880	441,795	85
Serial bonds - interest	285,874	292,274	292,240	34
Total Expenditures	2,954,456	2,954,456	2,781,040	173,416
Other Financing Sources (Uses) of Funds				
Transfers	(150,000)	(150,000)	(125,000)	25,000
Excess (Deficiency) of Revenues over Expenditures and Other Uses	<u>\$ (300,000)</u>	<u>\$ (300,000)</u>	(42,742)	<u>\$ 257,258</u>
Fund Balance at Beginning of Year			<u>1,437,175</u>	
Fund Balance at End of Year			<u><u>\$ 1,394,433</u></u>	

SUPPLEMENTARY INFORMATION

**ALBERTSON WATER DISTRICT
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
BUDGET AND ACTUAL
Year ended December 31, 2008**

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Real Property Taxes	<u>\$ 1,507,399</u>	<u>\$ 1,507,399</u>	<u>\$ 1,507,399</u>	<u>\$ -0-</u>
Departmental Income				
Metered water sales	1,125,000	1,125,000	1,172,211	47,211
Unmetered water sales	90,000	90,000	88,973	(1,027)
Water rent penalties	10,000	10,000	12,869	2,869
Water service charges	<u>21,000</u>	<u>21,000</u>	<u>25,857</u>	<u>4,857</u>
Total Departmental Income	1,246,000	1,246,000	1,299,910	53,910
Use of Money and Property				
Interest earnings	51,057	51,057	51,170	113
Miscellaneous Local sources				
Other income			<u>4,819</u>	<u>4,819</u>
	<u>2,804,456</u>	<u>2,804,456</u>	<u>2,863,298</u>	<u>58,842</u>
Total Revenues	<u><u>\$ 2,804,456</u></u>	<u><u>\$ 2,804,456</u></u>	<u><u>\$ 2,863,298</u></u>	<u><u>\$ 58,842</u></u>

ALBERTSON WATER DISTRICT
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
Year ended December 31, 2008

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Administration				
Administration salaries	\$ 255,579	\$ 255,579	\$ 252,472	\$ 3,107
Commissioners fees	20,000	20,000	16,960	3,040
Office expense	40,000	44,100	44,004	96
Telephone and communications	14,000	15,000	14,838	162
Legal notices	7,500	7,500	2,948	4,552
Education and training	6,500	6,500	5,099	1,401
Election	2,500	2,500	1,130	1,370
Engineering	30,000	43,600	43,532	68
Auditing and accounting fees	33,000	34,500	34,445	55
Legal fees	20,000	22,000	21,950	50
Consultants	5,000	5,000	2,800	2,200
Uniform and laundry	4,000	1,200	1,035	165
Operating equipment	35,000	37,000	36,739	261
Treasurer and commissioners bond	2,000	2,000	300	1,700
Tools, parts and supplies	15,000	5,300	5,290	10
Vehicle maintenance and supplies	18,000	20,000	19,300	700
Administrative fees - bonds	19,417	19,417	19,417	-0-
Insurance	93,500	75,700	75,700	-0-
Miscellaneous	4,000	5,400	5,362	38
Gasoline and oil	16,000	18,700	18,635	65
Total Administration	640,996	640,996	621,956	19,040
Source of Supply, Power and Pumping				
Plant salaries	361,945	375,945	375,219	726
Light and power	330,000	292,000	291,590	410
Heating	25,000	25,000	24,919	81
Repairs and maintenance				
-Operating equipment	70,000	105,000	104,296	704
-Plant and grounds	15,000	15,000	5,613	9,387
-Major repairs	75,000	64,000	61,675	2,325
Water purchases	33,000	33,000	23,319	9,681
Total Source of supply, power and pumping	909,945	909,945	886,631	23,314
Purification				
Water treatment	70,000	70,000	43,383	26,617
Total Purification	70,000	70,000	43,383	26,617

ALBERTSON WATER DISTRICT
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
Year ended December 31, 2008

	Budget Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
EXPENDITURES (continued)				
Transmission and Distribution				
Servicemen salaries	63,861	63,861	53,943	9,918
New meters and accessories	15,000	1,300		1,300
Repairs and maintenance				
-Meter services	30,000	30,000	10,884	19,116
-Mains, valves and hydrants	60,000	61,200	61,130	70
Road repairs	20,000	20,000	14,323	5,677
Total Transmission and Distribution	188,861	176,361	140,280	36,081
Employee Benefits				
State retirement	75,000	75,000	58,153	16,847
Social security	50,000	51,000	50,975	25
Workers' compensation	22,000	22,000	11,368	10,632
Health insurance	275,000	275,000	234,259	40,741
Total Employee Benefits	422,000	423,000	354,755	68,245
Debt service				
Serial bonds - principal	436,780	441,880	441,795	85
Serial bonds - interest	285,874	292,274	292,240	34
Total Debt Service	722,654	734,154	734,035	119
Other Financing Uses				
Transfers	(150,000)	(150,000)	(125,000)	(25,000)
Total Other Financing Uses	(150,000)	(150,000)	(125,000)	(25,000)
Total Expenditures and Other Financing Uses	\$ 3,104,456	\$ 3,104,456	\$ 2,906,040	\$ 198,416